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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF CO-OPERATIVE MARKETING
BUREAU OF AGRICULTURAL ECONOMICS, UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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SIXTH ANNUAL REPORT OF DAIRYMEN'S LEAGUE

More than 2,000 delegates and dairy farmers attended the sixth annual meeting of the Dairymen's League Cooperative Association, Inc., held in Binghamton, N. Y., June 16. The leading speeches were broadcast for the benefit of dairymen in the New York milk shed.

Unusually complete reports for the business year ending March 31, 1927, were made by the officers of the association. The figures show that fluid milk amounting to 2,224,220,066 pounds was received. Gross sales were \$73,845,097; producers were paid in cash and credits, \$55,261,448, or about 78 per cent of the amount received by the association. Fifty-three per cent of the total receipts was for milk delivered to dealers, and 47 per cent for milk sold from plants operated by the association. This latter percentage was higher than ever before, the figures for the preceding years being: 1921-22, 14 per cent; 1922-23, 27 per cent; 1923-24 33 per cent; 1924-25, 41 per cent; 1925-26, 39 per cent. The larger items of receipts from plant sales were: cream, \$5,672,767; condensed milk, all kinds, \$543,845; ice cream, \$521,975; milk powder, \$212,222; cheese, \$157,421; butter \$118,500.

The gross pool price for the year was \$2.474 per 100 pounds of 3.5 per cent milk, and the net pool price to members for milk delivered at points within the 201-210 mile zone from New York City was \$2.412, compared with the following for the preceding five years: 1921-22, \$1.96; 1922-23, \$1.8305; 1923-24, \$2.0129; 1924-25, \$1.8147; 1925-26, \$2.122.

The League now owns or leases 268 milk plants, of which it operates 191. The total number of employees is 1,590; salary and labor expenses for the year were \$2,798,063; and salaries of officers and executive committee came to \$50,692.

On April 1 the number of active contracts in force was 66,383, compared with 63,420 for April 1, 1926, and 64,037 on April 1, 1925.

The land, buildings and equipment owned by the association had a depreciated value of \$6,458,608 on March 31, compared with \$7,296,908 the previous year. Outstanding certificates of indebtedness amounted to \$10,949,556, compared with \$9,870,410 for March 31, 1926, and \$10,855,831 for 1925. Deductions for which certificates of indebtedness were to be issued amounted to \$2,480,545.

LOCAL POTATO ASSOCIATION FOUR YEARS OLD

On June 15, the Sidney Marketing Association, Sidney, Mich., one of the 75 locals of the Michigan Potato Growers' Exchange, concluded its fourth year of business and at the annual meeting distributed to its members checks amounting to 24 cents per hundred on 46 cars of potatoes shipped during the 1926-27 season. Advances amounting to practically the street prices, were made to growers during the season as they shipped their potatoes, and final payment at the end of the year.

Expenses have been reduced to a minimum. Local handling charges including sacks and all other expenses amounted to only 19 cents per hundred pounds. The association owns its own warehouse.

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PROCEDURE FOR REINSTATEMENT IN OHIO ASSOCIATION

New procedure has been developed for the reinstatement of members expelled from the Marietta Truck Growers' Association, Waterford, Ohio. Henceforth truck growers who have been expelled from the organization for violation of the marketing contract will be taken back only after application to the board of directors, a formal appearance in person, a full hearing by the board of the reasons for and against reinstatement, and a unanimous vote by the board in favor of reinstatement. Furthermore, the member, in case of favorable action by the board, must pay into the treasury of the association, a sum not less in amount than that required of new members.

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CALIFORNIA FRUIT EXCHANGE OWNS LARGE LUMBER INTERESTS

In order to provide its members with box shooks and other lumber requirements, the California Fruit Exchange, Sacramento, some time ago secured control of 20,000 acres of timber in Plumas County and established its own lumber mill and box factory. It is estimated that enough timber is available to last 20 years. During the past year many improvements were made in the facilities of the mill, and the box factory now has a capacity of more than 8,500,000 feet of lumber annually. It is expected that the lumber mill will cut between 17,000,000 and 18,000,000 feet in 1927. The mill pond has been enlarged and a new gang saw added to the equipment of the mill, thereby increasing the efficiency of the mill about 25 per cent. Seven miles of new railroad has been built, with plans for further extension. The plant is reported in excellent condition and one of the most modern and efficient in California. An annual visit of inspection is made by the board of directors.

FLORIDA CITRUS EXCHANGE REPORTS ON ACTIVITIES

Shipments by the Florida Citrus Exchange, Tampa, May 10, 1927, totaled 6,941 cars of oranges, tangerines and mixed fruits, and 5,476 cars of grapefruit, a total of 12,417 cars. This was 30 per cent of the citrus shipments from the state, compared with 29.8 per cent for the preceding season, according to a recently issued report by the general manager of the Exchange.

The total number of boxes handled by the Exchange to May 10 was 4,440,030, forty-seven per cent of which was grapefruit; 45 per cent, oranges; 6 per cent, tangerines; and the remainder included lemons, limes, mandarins, satsumas and Temple oranges. The quantity of fruit handled by the Exchange for the various seasons is as follows:

Season	Boxes shipped	Season	Boxes shipped
1909-10	1,482,359	1918-19	2,238,084
1910-11	832,310	1919-20	3,770,511
1911-12	741,917	1920-21	3,905,841
1912-13	1,780,301	1921-22	3,805,942
1913-14	1,481,471	1922-23	5,205,510
1914-15	1,945,602	1923-24	-----
1915-16	1,735,422	1924-25	-----
1916-17	1,289,984	1925-26	3,958,572
1917-18	1,184,711	1926-27	*4,440,030

* To May 10, 1927.

Fruit was sold to 964 customers in 456 cities and towns in 46 states and 6 Canadian provinces and in 9 European countries. Of the total quantity of fruit handled 46 per cent was disposed of at private sale, 43 per cent through the city auctions, 4 per cent was marketed through the canneries operated in connection with the Exchange, 3 per cent was sold f.o.b., 3 per cent was sold in bulk, and $\frac{1}{2}$ of one per cent was exported. Among the foreign cities in which sales were made were the following. London, Liverpool, Birmingham, Manchester, Newcastle, Hull, Hamburg, Copenhagen, Antwerp, Paris, Glasgow, Rotterdam, Cardiff and Oslo. The quantity of Florida grapefruit absorbed by these markets was much larger than in any previous season. Salaried trade contacts are being maintained in some of the markets, while in others brokerage representation has been provided.

The Exchange consists of 12 subexchanges, which in turn are composed of 82 local associations. Eleven special shippers were served during the past season. The fruit was handled in 75 packing houses. Two new associations were formed during the past year. Sixteen of the Exchange packing houses are equipped with precooling plants. four such plants having been installed during the past year.

The per-box cost of marketing the 4,440,030 boxes handled by the Exchange during the past season is given as 7.4 cents compared with 8.5 cents per box for the 3,958,572 boxes marketed during the 1925-26 season. The total cost in dollars for the two seasons was \$330,734 for 1926-27 and \$337,476 for 1925-26. Including receipts from exports the Exchange returned approximately \$10,000,000 to the subexchanges for distribution among the local associations.

During the shipping season the traffic department collected 2,046 claims amounting to \$55,075. It is still working upon 753 claims amounting to \$68,817.

A monthly publication, the Seald-Sweet Chronicle, started in 1925, carried information regarding the Exchange to members and prospective members, at a net cost of \$4,913. It is reported by the management that much was accomplished through the publication in combating anti-Exchange propaganda and in creating a favorable opinion in regard to the Exchange. The publication has a circulation of about 10,000.

Juice extractors to the number of 16,324 have been placed in the homes of consumers of citrus fruit. Many of these have gone into the homes of Florida and California growers, thus reducing the quantity of fruit other than fancy, shipped to the consuming markets. It is stated that extractors are in use in practically all the states, in northern Alaska, South Africa, Japan, and many of the European countries. As each extractor bears the name of the fancy brand of fruit shipped by the Exchange it is believed to be a continuous advertisement for Exchange products.

Advertising was conducted during the past year with three main objects in view, namely, "to increase consumption and demand for all citrus fruits; to create a preference for Florida citrus fruit; and to stimulate a recognition on the part of the trade and consumer for Seald-Sweet as Florida's finest fruit."

Advertisements were carried in national magazines with a total monthly circulation of 6,000,000. Newspaper space was also used. Considerable dealer service work was carried on. Crews worked out from New York, Chicago, Cincinnati, Detroit, and Boston, covering 76 markets. Furthermore, similar work was carried on to a limited extent in Europe, 12 markets being reached. Visits were made to 243 jobbers and 5,969 retailers. Two hundred twenty-one window displays were installed and 58,179 pieces of display material distributed.

Thirteen canneries were operated during the past season on grapefruit, which, because of size or appearance would not meet the requirements of the Exchange customers. These factories handled 533,826 field boxes of fruit for which the grower was paid from 50 to 85 cents a box at the packing house. This fruit was kept out of the competitive markets. It is stated that five additional factories are now under construction.

Loans made by the Growers' Loan and Guaranty Company, an Exchange organization, amounted to more than \$1,000,000. The Exchange Supply Company, a subsidiary, functioned as a purchasing agent for the local associations, furnishing orchard and packing house supplies.

FIVE YEARS OF CALIFORNIA PRUNE MARKETING

About 150 grower-members of the California Prune and Apricot Growers' Association attended the annual meeting of the association at San Jose, Calif., May 11. The reports presented at that time indicate that approximately 46 per cent of the California prunes and 18 per cent of the apricots for the 1926-27 season were marketed through the association. The quantities of these fruits received by the association during each of the past five seasons, as reported by the management, are as follows:

Year	Prunes	Apricots	Pits
	(Pounds)	(Pounds)	(Pounds)
1922	144,538,800	14,540,802	5,237,276
1923	137,694,938	24,690,557	6,447,669
1924	121,747,559	7,704,182	2,196,243
1925	138,100,257	6,811,499	1,588,735
1926	128,149,097	6,138,311	1,755,494

The percentage which these quantities were of the total California crops were: prunes, 1922 crop, 56 per cent; 1923, 52 per cent; 1924, 44 per cent; 1925, 47 per cent; 1926, 46 per cent; apricots, 1922 crop, 47 per cent; 1923, 41 per cent; 1924, 24 per cent; 1925, 19 per cent; 1926, 18 per cent.

Up to March 31 of the present year growers had received advances for fruit delivered amounting to \$5,752,819. The greater part of this amount was on prunes. Advances for preceding years to the same date are given as follows:

Season July 1, to March 31	Prunes	Apricots	Pits	Total
1922-23	\$ 6,771,964	\$1,476,438	\$52,472	\$8,300,874
1923-24	4,083,009	1,286,568	32,130	5,401,707
1924-25	3,978,025	620,898	19,104	4,618,027
1925-26	6,798,189	1,062,934	35,469	7,896,592
1926-27	4,674,150	1,029,372	49,297	5,752,819

The management in reviewing the past season called attention to the very large quantity of fruit of all kinds placed in the channels of trade and the resulting intense competition for the patronage of the possible consumer of fruit.

An elaborate advertising campaign was carried out during the early part of the marketing season. Billboards were used, also street car cards and newspaper space. Advertisements were placed in publications with a monthly circulation of 29,000,000. Sales promotion work was conducted by 175 retail specialty men working in 1,200 cities and towns. Personal calls were made upon more than 80,000 retail dealers serving 30,000,000 people. Expenditures for advertising for the last five years are given by the management as follows:

Season	Prunes	Apricots	Pits	Total
1922-23	\$484,674	\$42,411	\$249	\$527,334
1923-24	449,353	42,068	---	491,421
1924-25	346,150	1,467	---	347,617
1925-26	80,229	3	2	80,234
1926-27	242,780	58	31	242,869

Various plans for reducing operating expenses were carried out during the past year. Special efforts were made to curtail plant operations to necessary activities and to render services at the least possible cost. Substantial reductions were made in the amounts paid for insurance and interest as compared with former seasons.

During the year a fellowship in food research was maintained at the University of California for the purpose of finding new ways for preparing and serving prunes. Already a Sunsweet prune pulp has been developed which is adapted to use in baking and in the manufacture of ice cream and candy. At a recent dinner this pulp was the basis of 19 different dishes. It has been decided by the directors of the association to continue the fellowship for another year.

In an effort to solve the many difficult problems arising during the year the executive committee held 45 meetings. As many as ten meetings were held in a single month.

EXTENSIVE ELEVATOR PROGRAM IN NORTH DAKOTA

A program recently adopted by the directors of the North Dakota Wheat Growers' Association, Grand Forks, calls for the acquisition of about 60 elevators before crop delivery this fall. In 1926 the association controlled 16 elevators and 40 more are to be added this season. Five of the number have already been secured. It is proposed to double the number of elevators controlled by the pool each year until the number reaches about 350. Last year's operations showed that deliveries to the pool increased greatly at points where the association controlled elevators. At some points the increase was 500 per cent over deliveries of the previous season. The control of these elevators is vested in a subsidiary organization, the Wheat Growers' Warehouse Company.

Plans have also been made to increase the membership and organization work is to be pushed in North Dakota and Montana. Montana now has about 1,000 members in the association and the number is to be brought up to 4,000 before delivery season if possible.

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CONSTRUCTIVE MEETING HELD BY MINNESOTA WHEAT GROWERS

Several resolutions of importance were adopted at the annual meeting of the Minnesota Wheat Growers' Cooperative Marketing Association, Minneapolis, held at Alexandria, Minn., June 1. Three delegates were present from each of the 9 districts of the association, and a harmonious session was reported.

One of the outstanding propositions adopted was for the creation of a special trust fund for the purpose of purchasing interior and terminal facilities for handling pooled grain, this fund to be built up by means of a deduction of one cent per bushel, beginning with the crop year of 1927. The resolution contained a provision that this fund should be prorated back to those contributing thereto, if for any reason the fund should at any time be deemed not sufficient for carrying out the proposed elevator program.

Another resolution instructed the board of directors and management to take immediate steps to provide elevators or loading platforms for grain at strategic interior points.

Formation of local associations around said handling facilities, where possible, was recommended, also that the board of directors and the management take all possible steps toward setting up a central selling agency for the hard spring wheat states of Minnesota, North Dakota, South Dakota, and Montana, which agency should cooperate as far as possible with the selling agency in the Southwest for hard winter wheat.

REPORT TELLS OF STORAGE OPERATIONS OF ELEVATORS

Part III of the Study of Farmers' Elevator Operation in the Spring Wheat Area, has been issued as a preliminary report and is now available for distribution. This study was begun in 1924 by the Division of Cooperative Marketing and was designed to cover the operations of a selected group of elevators over a period of four or five years. This section deals with Storage Operations. Copies may be had upon request to the Division of Cooperative Marketing, Department of Agriculture, Washington, D. C.

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GRAIN POOL IN ONTARIO

Definite steps toward the organization of a grain pool in Ontario have been taken by the directors of the United Farmers' Cooperative Company, Ltd., Toronto. This company will furnish the funds for initial expenses of organization, under an agreement by which it is to be reimbursed out of the proceeds of the first sale of grain. It is stated that its work will be done on a nonprofit basis. Before the company will undertake the marketing of grain in a given district, 75 per cent of the farmers in that district must pledge their cooperation. In some districts a large percentage of the farmers have already pledged their support. Meetings were held during the past winter and canvassing led to the signing of about 6,000 contracts. It is estimated that the projected pool will handle about 4,000,000 bushels of grain during the coming year.

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ELEVATOR PROGRAM OF SASKATCHEWAN WHEAT POOL

At the extraordinary general meeting of the delegates of the Saskatchewan Cooperative Wheat Producers, Ltd., held at Regina, Sask., June 8 and 9, the board of directors was authorized to pay off, subject to a 10 per cent discount, the balance of the purchase price of the elevators and other property acquired by the pool from the Saskatchewan Cooperative Elevator Company, Ltd. If the offer is accepted the wheat pool will pay \$6,786,763 to the elevator company, and \$409,955, for 1927 payment and interest, to the Saskatchewan Government, or a total of \$7,196,718. It was announced that a sufficient number of signatures had already been secured to the new five-year contract to assure the acreage required for the continuance of the pool to July 31, 1933. The present contract does not expire until July 31, 1928. The delegates also approved an elevator deduction of two cents per bushel and a commercial reserve deduction of 1 per cent for the coming year.

CIRCULAR FOR MEMBERS ISSUED BY ALBERTA WHEAT POOL

"Wheat Pool Lectures" in the title of a circular issued by the Alberta Cooperative Wheat Producers, Ltd., Calgary, Alberta, through its department of education and publicity, which department takes this as "one of a number of ways to reach its principal objective - a well informed membership." In 13 concise little lectures are summarized the objectives, the methods of organization and operation, and the accomplishments of the Alberta Cooperative Wheat Producers, Ltd.

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MEMBERSHIP OF CANADIAN WHEAT POOLS

Recent advices from Canada state that the Saskatchewan Cooperative Wheat Producers, Ltd., Regina, had 82,133 members on March 15, 1927, with 10,814,013 acres under contract. Through its subsidiary organization, the Saskatchewan Pool Elevators, Ltd., it owns and operates 487 country elevators and terminal elevators with a capacity of 17,075,000 bushels, and expects to increase the number of country elevators to 675 the present season.

Membership of the Alberta Cooperative Wheat Producers, Ltd., Calgary, is now 38,956 with contracts covering 3,684,727 acres. This is an increase over last year of 2,969 members and 227,054 acres.

The Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, reports a membership of 19,109 and 39,496 contracts, many members having signed contracts for both wheat and coarse grains. The total acreage is 2,865,000.

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COST OF OPERATING ALBERTA WHEAT POOL

Operating costs for the Alberta Cooperative Wheat Producers, Ltd., Calgary, for the first three years of business, have been made public. The total costs as reported were as follows: 1923-24 season, 0.484 of one cent per bushel; 1925-25, 0.405; 1925-26, 0.418. The total cost of operating the central selling agency for the 1925-26 season was 0.2 of one cent per bushel. There were deducted from returns to wheat producers the following amounts for a commercial reserve: 1923-24 season, 0.61 of one cent per bushel; 1924-25, 0.66; 1925-26, 0.145. The commercial reserve is in the nature a of capital investment and is not an expense.

Detailed figures are given for the three seasons. The operating and administrative expenses for the 1923-24 pool season are given as \$135,060. Similar expenses for the 1924-25 season, less credits earned, amounted to \$93,353, and the expenses for the 1925-26 season were \$165,780. Among the administrative expenses was an item of \$15,705 for directors' fees and expenses. It is stated that this is the total amount paid to directors for the year and that it includes only a per diem allowance and traveling expenses. None of the members of the board of directors receive other remuneration for their services.

BIG FARMER-OWNED TERMINAL ELEVATOR FOR CANADA

Announcement is made that construction work has started upon a new terminal grain elevator at Port Arthur for the United Grain Growers, Ltd., a farmer-owned grain-marketing association operating a line of grain elevators in Alberta, Saskatchewan and Manitoba.

The new elevator will have a capacity of 5,500,000 bushels and will be of reinforced concrete construction resting upon a foundation of 22,000 piles. The equipment will be of the most modern design. There will be 550 grain bins with capacities ranging from 4,000 to 30,000 bushels. Automatic car dumpers will permit the unloading of a car of grain in five minutes. There will be 17 elevating legs, 30 machines for cleaning grain, and drying facilities with a capacity for handling a thousand bushels of grain an hour. It is expected to have the elevator in readiness to handle grain of the 1928 crop.

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NATIONAL ROUGH RICE GROWERS' ASSOCIATION ORGANIZING

Preparatory steps have been taken for the formation of a new cooperative to be known as the National Rough Rice Growers' Association. A tentative contract has been prepared and an organization committee and an acreage committee selected.

The territory included will be rice land in Arkansas and Missouri. It will be divided into 15 districts from each of which a director will be elected. A minimum of 50,000 acres is considered essential for the proper functioning of the association. A membership fee of \$10 is required but this will be returned when the first sale is completed. The contract is for five years with a withdrawal privilege before July 1 of each year. All rice grown by members is to be sold by the association. Deductions for selling are limited to $2\frac{1}{2}$ cents a bushel.

The association proposes to work in harmony with all other associations and mills. Under no consideration will a member of another association be solicited to become a member, nor will he be accepted as a member. Rough rice is to be stored so that it may be placed on the market in an orderly manner. Maximum and minimum prices for rice are to be fixed by the executive committee, with the approval of the directors.

DISTRIBUTION BY TEXAS COTTON ASSOCIATION

Checks amounting to about \$85,000 are to be distributed soon by the Texas Farm Bureau Cotton Association, Dallas, to members who delivered cotton of the 1921 crop. Each year a deduction of one per cent of the returns to the growers is made and the amount placed in a reserve fund to be used as the board of directors deem best. By action of the board each season's reserve will be returned at the end of five years; the deductions made during the 1921-22 season, in 1927; the deductions for the 1922-23 season, in 1928; and so on. This plan gives the association possession of the funds deducted during five seasons to use as working capital.

Distribution is now being made by the association for about 3,000 bales of cotton marketed for the Southwestern Irrigated Cotton Growers' Association of New Mexico. This cotton was handled for the New Mexico association on a pound basis. The distribution, which is the first for the New Mexico cotton, amounts to \$60,000.

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COOPERATIVE COTTON GINS FOR TEXAS

Announcement has been made by the management of the Texas Farm Bureau Cotton Association, Dallas, of the formation of a subsidiary company to assist in the establishment of cooperative cotton gins. A charter has been issued by the state for the Texas Cotton Growers' Gin Holding Company, with an authorized capital stock of \$200,000.

Arrangements are now being completed for the establishment of four cooperative gins. In each case a separate corporation will be created, which will be largely a local enterprise. The gins are to be of modern design, equipped with the most approved machinery and operated by crews of experienced men. A considerable portion of the financing will be handled by the holding company.

Cotton ginned and baled at the local plants will be properly marked and tagged for direct shipment to one of the concentration points of the Texas Farm Bureau Cotton Association.

Commencing with the 1927 crop, cotton produced by association members in the southwestern part of the state will be concentrated at Corpus Christi, where arrangements have been made for storage. A 60,000-bale cotton warehouse, which will be equipped with high density presses, is now in process of erection at that point. Export shipments will be made direct from Corpus Christi. It is estimated that a saving of about \$1.50 a bale will be made by concentrating and shipping the cotton from the southwestern section from this point.

WISCONSIN TOBACCO POOL TO CLOSE MEMBERSHIP BOOKS

On July 15 the Northern Wisconsin Cooperative Tobacco Pool, Madison, will close its books to new members for this season, according to a recent decision of the board of directors.

Final settlement on the last of the 1924 crop has been authorized and preparations for payment are under way. This will total approximately \$53,000. An additional payment on two grades of 1926 stemming tobacco, and interest on certificates of indebtedness issued to cover deductions from the returns for the 1923 crop, will bring distributions to nearly \$100,000, early in July.

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DIVIDENDS ON SHARE CAPITAL TO TOBACCO GROWERS

Approximately \$800,000 was scheduled for payment to the shareholders of the Burley tobacco warehouse corporations on July 1, 1927. This amount represents the accumulated dividends for four years on the outstanding capital stock of the warehouse corporations. The dividends are calculated at the rate of 8 per cent per annum. This means \$32 on each \$100 invested in 1923 and \$8 on each \$100 invested in 1926.

As the investments in warehouse capital stock represent deductions made from the returns to the growers for tobacco included in the various seasonal pools the \$800,000 went to tobacco growers, except where growers have disposed of their equities to speculators or others.

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SOUTH AFRICA HAS TOBACCO COOPERATIVES

A consular report from Johannesburg, South Africa, states that the cooperative tobacco societies established in that country "have achieved very satisfactory results and are looking forward to an increased acreage next year." Details are given for one society, the Piet Retief Paulyietersburg Tobacco Farmers' Cooperative Society, which was started April 1, 1926. During the year it handled 708,000 pounds of tobacco, of which 250,000 pounds of choice stock is in storage and is to be shipped to England in the near future. Advances to the amount of 60 per cent have been made and 30 per cent more is to be distributed very soon, the remainder to be paid when all stocks are sold. The society expects to handle 1,250,000 pounds this year, and much more if an anticipated increase in the membership is realized.

MANITOBA ORGANIZES LIVESTOCK POOL

Organization of a livestock pool for the Province of Manitoba was effected on April 8, following a conference called by the Cooperative Marketing Board. The new organization is to be known as the Manitoba Cooperative Livestock Producers, Ltd. Plans call for the organization of district associations throughout the province. The marketing agreement is perpetual with a provision for cancellation any year.

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RECORD ATTENDANCE AT CALIFORNIA RAM SALE

Reports of the Seventh Annual Ram Sale of the California Wool Growers' Association, held at Davis, Calif., June 7 and 8, 1927, state that all previous records for attendance and interest were broken and that the sale "was successful from both the buyers' and the breeders' standpoint." Nine hundred thirty-five rams were sold at an average price of \$53.08. This figure was \$2.95 higher than the average one year ago. Nearly all the rams offered were sold.

Much attention was given to the wool show held in connection with the sale. Trophies were awarded for the best California fleece; for the most valuable fleece from the manufacturers' standpoint; for the best range ewe fleece; the best California range ram fleece; the best California fine, medium and coarse wool fleeces; also the best fine, medium and coarse wool fleeces from the northern counties, from the middle counties, and from the southern counties of the state.

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MANY FARMERS VISIT ST. PAUL STOCKYARDS

During the past few months the Central Cooperative Association, South St. Paul, Minn., in connection with other stockyard interests and railroad companies, has arranged a number of excursions which brought large groups of livestock producers for a day's visit to the South St. Paul yards. The first excursion on March 14 brought 500 farmers who visited the yards in a body, looked over the yards and equipment of the Central Cooperative Association, witnessed a meat demonstration, and went through a packing plant. Other groups were entertained on March 23, May 26, May 31, and June 1. Some also visited the University Farm.

The chief purpose of the sales agency in arranging these excursions was to give the farmers a better knowledge of how livestock is sorted, watered, fed, sold and weighed on the terminal market. The entire board of directors of a number of associations have visited the market and looked over the facilities for handling being offered by the cooperative and the privately owned agencies.

JUDGMENT COLLECTED FROM ASSETS OF COOPERATIVE

In the case of the Associated Fruit Company v. Idaho-Oregon Fruit Growers' Association, 256 P. 99, decided by the Supreme Court of Idaho, it appeared that the defendant, a cooperative association, entered into a contract with the Associated Fruit Company under which it agreed to sell 50 car loads of apples at an agreed price. "Defendant refused to carry out the contract. Plaintiff brought suit for the breach, securing a judgment for damages in the sum of \$8,000," and the association appealed.

It appeared that the cooperative association, prior to the filing of the suit, was the owner of 78 shares of stock of the New Plymouth Storage Company. Apparently, shortly before the filing of the suit by the plaintiff, the association distributed the shares of stock among the local organizations of which it was composed. The plaintiff, proceeding upon the theory that the distribution of the stock among the local organizations was void as to it, instituted garnishment proceedings against the local organizations.

The garnishees replied, admitting that certain shares of said stock had been transferred to them by the defendant without any payment therefor, and that said defendant closed out its business at Payette, and that defendant was insolvent. But each garnishee denied that said distribution of stock was to defraud plaintiff, and specifically pleaded that the garnishees were the legal and absolute owners of the shares of stock in question, by reason of the fact that the defendant had purchased the same with funds which the garnishees claimed were held and regarded as trust funds for the local associations of fruit growers.

The Supreme Court in affirming the decision said:

Even though there may have been no actual intent on the part of defendant's board of directors to defraud plaintiff, the result of the transfer of the stock by them was to prevent plaintiff from enforcing its judgment, which in law amounts to fraud. In such case, a fraudulent intent is immaterial.

The court found and concluded, among other things, that the stock in question had been purchased with funds accumulated, in excess of expenditures, by defendant company during the period from its organ-

ization in 1913 until April, 1920, and became an asset of said company, to be held in trust for its creditors.

Conceding that profits earned by cooperative nonprofit associations belong to the members, and not to the association itself, we understand the rule to be that such profits are subject to the claims of such associations' creditors, and that not until such claims are liquidated, may there be a distribution of profits to members. In fact, there can be no profits to distribute until debts are discharged or funds set aside to satisfy them. This is the rule of corporations generally. "The assets of a corporation constitute a trust fund for the payment of its debts, which cannot lawfully be divided up until after the creditors (of the corporation) are paid."

L. S. Hulbert.

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CALIFORNIA COURT FINDS NO AUTHORITY FOR ASSESSMENTS

The question for decision by the District Court of Appeals of California in the case of Alfalfa Growers of California, v. Icardo, 256 P. 287, was, "Did the association, either by virtue of the statutes under which it was organized or by reason of provisions in its articles of incorporation and by-laws, have authority to levy assessments upon its members?"

The court found that there was no statutory authority for the making of assessments by the association. The court further held that, if it be assumed that the right to make assessments may be vested in an association or corporation by reason of contracts entered into by it with each of its members, the provisions not authorized by statute, claimed to constitute a contract, in the articles of incorporation and by-laws of the association with respect to making assessments, were invalid because they provided for a method of making assessments that the court felt was not just and equitable. With respect to this matter the court, among other things said:

It will be observed that the articles of incorporation and the by-laws provided a scheme for the levying of assessments which could operate neither justly nor equitably between the members. The memberships in the association were not like memberships in the ordinary social club, under which each member

enjoys privileges exactly like those enjoyed by all the others, and under which, therefore, all are equal. Appellant was organized for the purpose of fostering and advancing the financial welfare of its members, and each membership was valuable to the holder of it to an extent which depended upon the value and importance of the enterprise or interest, which, through his membership, he placed under appellant's care. It was unavoidable, therefore, that some memberships should be of a value different from that attaching to all the others. Under the articles of incorporation all memberships were treated as alike upon the score of liability to assessment, even if members were allowed a number of votes and a number of unities of interest proportioned to the tonnage of alfalfa produced by each.

In conclusion the court said:

It is of the very essence of the law of assessments of the capital stock of corporations that the exactions shall be equal and uniform (6 Cal. Jur. 957), and the rule must of necessity apply to corporations which have no capital stock, even when the power is claimed to exist by contract. We determine that such a corporation cannot enforce by action alleged contract for assessments, where the exactions will result in unjust discrimination between its members.

Ordinarily, it will be remembered, courts do not concern themselves with the fact that a contract may apparently work a hardship upon one or more of the parties thereto, or that the contract will require less of one or more of the parties thereto than it does of other parties. Apparently the court was of the opinion that this doctrine was not applicable to the making of assessments by a membership association, even though the members had agreed in advance to the method which should be followed in the making of assessments.

L. S. Hulbert.

WASHCOEGG ISSUES FOURTH BIRTHDAY NUMBER

The June 18, 1927, issue of Washcoegg, the official organ of the Washington Cooperative Egg and Poultry Association, Seattle, is the fourth birthday number of the publication and its 40 pages are dedicated to the new home of this cooperative organization.

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COPY OF DEPARTMENT BULLETIN WANTED

A copy of Department of Agriculture Bulletin No. 547 entitled, "Cooperative Purchasing and Marketing Organizations Among Farmers in the United States" is desired for a library in a foreign country. If any reader having a copy of this bulletin to spare will so advise the editor of this circular, it will be appreciated.

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STATE OF TENNESSEE V. BURLEY TOBACCO GROWERS

The case of the State of Tennessee on the Relation of the Attorney General v. the Burley Tobacco Growers' Cooperative Association, decided by the Court of Appeals of Tennessee and discussed in the issue of Agricultural Cooperation of June 25, 1927, has been designated for publication by the Supreme Court of that state and it will be found in 2 Tenn. App. Rep. page 681.

L. S. Hulbert.

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MICHIGAN COLLEGE TO HAVE SCHOOL OF COOPERATION

The Michigan State College, East Lansing, announces that a School of Cooperation will be held August 1, 2 and 3. Members, managers and directors of cooperative organizations will be in attendance, as well as others who are interested in the cooperative movement. Several of the sessions will be joint meetings with the Michigan Livestock Exchange, the Michigan State Farm Bureau (seed and supply department), the American Farm Economics Association and the American Country Life Association.

Among the subjects which will be given special consideration are, cooperative purchasing of farm supplies, organization problems, and accounting.

Section meetings will be held for those interested in the cooperative marketing of milk, potatoes, livestock, and grain. Many of the addresses will be by men connected with organizations actually engaged in cooperative marketing. A cooperative banquet is one of the special features announced.

REPORTED BY THE ASSOCIATIONS

Six egg-shipping stations are being operated by the Manitoba Co-operative Poultry Marketing Association, Ltd., Hartney, Man. So far this season more than 40 car loads of eggs have been forwarded to market.

Approximately 165 cooperative societies in Great Britain and Ireland, engaged in farming, controlled about 70,000 acres in 1925. Nearly \$15,000,000 was invested in land, buildings, implements, and animals. The value of the farm production for 1925 was in excess of \$3,000,000.

Through its new service department the Iowa Farm Bureau Federation, Des Moines, is buying lubricating oils for the farmers of the state. Desirable connections have been established and Iowa farmers are now offered the advantages of collective bargaining on their oil purchases.

A total of 2,157 cars of grain and other products were handled by the Equity Union Grain Company, Kansas City, Mo., during the year ending April 30, 1927. The grain was received from 126 points in Kansas, Oklahoma, Colorado and Nebraska. One hundred twelve cars were received from a single shipping point in Kansas. More than 20 cars were received from each of 19 other points.

Approximately a car load of lemons an hour is being handled by the Exchange Lemon Products Company, Los Angeles, a company created by the members of the California Fruit Growers' Exchange. The plants of the company are being operated 24 hours a day, 7 days a week, converting into by-products the lemons which for one reason or another it is deemed best to divert from the fresh fruit market.

Total sales by the Cooperative Trading Company, Waukegan, Ill., for 1926, were \$556,290. The items making up the total were: dairy products, \$267,822; groceries, \$140,589; meats, \$75,692; branch store transactions, \$72,187. Gross earnings for the year amounted to \$147,647, and net earnings to \$15,757. The association is serving 1,300 members. Patronage refunds are paid in share capital until a member holds ten shares, after which they are paid in cash. Among the members are about 60 farmers who supply milk for the dairy department.

At a special meeting of the Council of Agriculture of Queensland, held April 1, at Brisbane, it was decided that the Council of Agriculture should cease to function as at present, that the headquarters office be closed and the staff dismissed. In this connection it is stated that this action places upon the various commodity boards of the State of Queensland the full responsibility of looking after the interests of producers. Hereafter the Council of Agriculture will meet only once a year, except as two or more commodity boards require joint action.

SELECTED LIST OF PUBLICATIONS AND ARTICLES

- Commander, C. C. Annual Report of the Florida Citrus Exchange, 1926-27 Season. Tampa, Fla., 1927. 23 p.
- Cooperation in Dairy Products. Missouri Farm Bureau News, Jefferson City, Mo., June 3, 1927, p. 2.
- Dawson, W. P. Cooperative Banking: Provisions and Significance of New Iowa Law. Wallace's Farmer, Des Moines, Iowa, May 20, 1927, p.8.
- Farmers' Re-load Stations. Editorial. Wallaces' Farmer, Des Moines, Iowa, May 20, 1927, p. 4.
- Financing an Elevator: Notes Signed by Membership Help Bolster Credit. Wallaces' Farmer, Des Moines, Iowa, May 20, 1927, p. 10.
- Hamlin, C. B. Milk Co-op Finds the Way to Build Up Pool Loyalty. The Wheat Grower, Grand Forks, N. D., June 15, 1927, p. 6.
- Hoover, C. L. Colorado Poolers Have Come "Down to Earth." Colorado Wheat Grower, Denver, Colo., May, 1927, p. 6.
- How Co-ops Work in Missouri. Market Growers' Journal, Louisville, Ky., June 1, 1927, p. 500.
- Lampson, Bruce. The Human Element in Cooperative Marketing. Wheat Growers' Journal, Wichita, Kans., June 15, 1927, p. 10.
- Land O'Lakes is Six Years Old: A Brief History of the Organization. Land O'Lakes News, Minneapolis, Minn., June, 1927, p. 3.
- Lowden, Frank O. Farm Problems Stated. Review of Reviews, New York City, July, 1927, p. 45.
- Macklin, Theodore. What Cooperative Marketing is Doing for Tobacco Growers. Tobacco Pool Bulletin, Madison, Wis., June 9, 1927, p. 2.
- Richardson, John L. Land O'Lakes Leads Dairy Co-ops. Hoard's Dairyman, Fort Atkinson, Wis., June 25, 1927.
- Vesecky, John. Report of President, Southwest Cooperative Wheat Growers' Association. Wheat Growers' Journal, Wichita, Kans., June 1, 1927, p. 3.

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